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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF ETHIOPIA

Coffee and Tea Development Planning
(Supplementary Assistance) (ETH/77/014)

Report of the Administrator*

Date of present approval:	June 1979
Starting date of project activities:	January 1978 (including previous assistance)
Planned completion date:	September 1981
To be executed by:	Food and Agriculture Organization of the United Nations (FAO)
Government implementing agency:	Coffee and Tea Development and Marketing Authority (CTDMA) (Ministry of Coffee and Tea Development)
Estimated cost of assistance planned under present approval:	$407 800
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. Arabica coffee is native of Ethiopia. It is the single most important cash crop in the Ethiopian economy accounting for approximately 70 per cent of total exports over the last few years and providing employment to countless numbers. The annual production of coffee under normal conditions is estimated at between 200,000 - 250,000 tons, 75,000 tons of which are exported. During recent years, however, coffee production has declined by some 20 per cent due to the Coffee Berry Disease (CBD) and the after effects of drought, etc. A coffee survey was undertaken with assistance from FAO between 1972-1977.

* In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or by third-party cost sharing).

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2. Ethiopia's consumption of tea almost exclusively met by imports, is about 1,000 tons per year and increasing at a rate of nearly 4 per cent annually. Tea can be successfully grown, however, only in several parts of the central high plateau where climatic conditions, rainfall and soil types are favourable. A tea plantation and factory have been set up at Gumaro, and plans are well advanced for others to be constructed at Wush Wush. Currently, the area under tea hardly exceeds 80 hectares.

3. Although a great deal of basic knowledge on the production and marketing of coffee has been attained, it is clear that the planning unit of the Coffee and Tea Development and Marketing Authority responsible for coffee and tea production needs to be further strengthened to undertake in-depth analysis and preparation of development plans, investment project, etc. Data collection must also be expanded and farm management studies intensified.

4. It was in the context of the needs mentioned above that UNDP, in August 1977, approved modest assistance in the form of direct support to the CTDMA for two years, with the current project becoming operational in January 1978. In the light of experience, however, this assistance has not proved adequate mainly because the Executing Agency was unable to recruit the large number of experts necessary for its successful implementation. The present supplementary assistance makes good this deficiency.

II. Objectives and activities

5. The long-term objective of the project has been widened to cover the establishment of a planning unit. The immediate objectives have been revised accordingly and include: (a) the formulation of short-, medium- and long-term plans for coffee and tea development: (b) the monitoring of coffee development projects as well as the implementation of surveys and the collection, compilation and publication of coffee and tea statistics: and (c) the updating of marketing and other studies with regard to ascertaining costs of production and price structure.

III. Inputs

6. Under the assistance now approved UNDP will provide, through the Executing Agency, the services of a senior planning adviser (team leader), an agricultural statistician and an agricultural economist (planning). Provision is also made for 16 man-months of consultancy services in the fields of farm management, tea development and crop protection.

7. UNDP will also finance two fellowships, each of 12 months duration, in statistics and agricultural marketing. In addition, 24 man-months of fellowship training will be provided for short courses of study in economy planning, tea cultivation, tea manufacture, and crop protection.

8. To carry out the activities for which assistance is now approved, the Government of Ethiopia has designated a Director of the Project and is recruiting suitably qualified national staff to provide the necessary support. The Government will also provide supporting facilities as required for the successful implementation of the project.

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IV. Financial data

9. The expenditure components of the planned assistance are as follows:

	Previously approved	Present approval	Total approved
	$	$	$
Personnel	106 700	367 500	474 200
Training	34 800	38 200	73 000
Miscellaneous	6 000	2 100	8 100
	147 500	407 800	555 300

10. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $484.085 in kind.

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